

City of Cincinnati

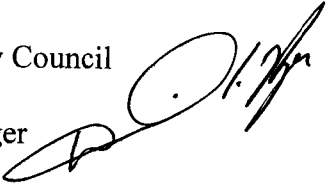


*Interdepartment
Correspondence Sheet*

FOR YOUR INFORMATION

September 12, 2005

To: Mayor and Members of City Council

From: David E. Rager, City Manager 

Subject: Property Tax Elimination Initiative

The Charter amendment which will be on the ballot of the November 8, 2005 election will set the 2006 tax year operating millage at 4 mills and reduce it by 0.5 mills each year until the operating millage is eliminated in 2015. Assuming the current property valuation for the period, the cumulative revenue reduction each year in which the revenue is received is as follows:

| | |
|------|---------|
| 2007 | \$ 4.9M |
| 2008 | \$ 7.9M |
| 2009 | \$10.9M |
| 2010 | \$13.8M |
| 2011 | \$16.7M |
| 2012 | \$19.7M |
| 2013 | \$22.7M |
| 2014 | \$25.7M |
| 2015 | \$29.0M |

Of the effective millage the City is 15%, Hamilton County is 24% and the Cincinnati Public Schools is 61%.

For perspective, \$29M is about 9% of the 2005 General Fund budget. For each \$100,000 in market value of residential property a 1 mill reduction in property taxes will result in a savings of \$31.

cc: William E. Moller, Finance Director 